IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE SEVENTH DAY OF FEBRUARY
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE L.NARASIMHA REDDY

WRIT PETITION No: 24706 of 2004

Between:

Sairam Clay Products Private Ltd., rep. by its Managing Director B. Vinod Kumar,
Regd Off: V. Phase, Plt No.1. IDA Jeedimetla, Hyderabad.

..... PETITIONER

AND

The Singareni Collieries Company Ltd., rep. by its Manging Director, Regd. Off: Kothagudem, A.P.,

.....RESPONDENT

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue a Writ of Mandamus or any other appropriate writ, order or direction most particularly one in the nature of Writ of Mandamus, directing the respondent company to immediately commence the supply of coal to enable the Petitioner Company to restart its Plant and pass such other order or orders as this Hon;ble Court may deem fit and proper in the interest of justice.

Counsel for the Petitioner: MR.V.HARISH KUMAR

Counsel for the Respondent: MR.NANDIGAM KRISHANA RAO.

The Court at the admission stage made the following:

ORDER:

The petitioner is an industry. It had an agreement with the respondent herein, for supply of coal. On the basis of a complaint said to have been given by one of the Directors of the petitioner-company, the respondent stopped the supply of coal. Enquiry is said to be in progress, into the same. The petitioner challenges the action of the respondent in abruptly stopping the supply of coal.

Heard learned counsel for the petitioner and Sri Nandigam Krishna Rao, learned for the respondent.

From a perusal of the record, it is evident that the petitioner had entered into a contract with the respondent for supply of the coal. However, the respondents stopped the supply on the allegation that the petitioner diverted the coal supply to third parties. This was on the basis of a complaint received from none other than one of the directors of the company.

There are serious disputes among the management. The petitioner is also facing some financial difficulties from the financing agencies. After hearing the learned counsel for the petitioner and the learned counsel for the respondent at length, as an interim measure, this Court passed an order on 25.01.2005, directing the respondent to supply 150 tones of coal to the petitioner, so that it can continue its manufacturing process. The order is said to have been since complied with.

Learned counsel for the petitioner submits that the coal of 150 tones would be sufficient for the petitioner to undertake its activities for a period of 15 days. Inasmuch as the enquiry into the allegations against the petitioner is in progress, the writ petition is disposed of with the following directions:

a. It shall be open to the respondent to proceed with the enquiry into the allegations against the petitioner as to diversion of coal and the petitioner shall be under obligation to furnish such material as is required by the respondent to satisfy themselves as to the proper utilization of coal.

b. In case the enquiry in relation to the supply of coal to the petitioner is not concluded by 15.02.2005, the respondent shall supply another quantity of 150 tones to the petitioner subject to the same terms.

There shall be no order as to costs.

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07.02.2005

Jsu

To

1. The Singareni Collieries Company Ltd., rep. by its Manging Director, Regd. Off: Kothagudem, A.P.,

2. 2 CD copies